

Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2011





Nasinu Town Council

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All correspondence to be addressed to the special administrator

1st September 2023

The Honourable Minister
Minister for Housing & Local Government
Gladstone Road
SUVA

Dear Sir

RE: NASINU TOWN COUNCIL ANNUAL REPORT 2011

I have much pleasure in submitting the Nasinu Town Council Annual Report for 2011.

The report provides the activities of the Council through the year.

The Annual Report 2009 has been prepared in accordance with the provision of Section 19(1) (a), (b) and (c) of the Local Government Act Cap 125.

Yours faithfully

Mrs. Anurashika Bari
CHIEF EXECUTIVE OFFICER

VISION

To be the best Municipality in Fiji that builds pride in our heritage and secures a better future for all stakeholders.

CORPORATE MISSION STATEMENT

Work in Partnership with all stakeholders in providing quality services in a sustainable manner to develop and maintain civic pride to deliver a vibrant Nasinu municipality

VALUES

- Excellence
- Customer Oriented
- Accountability
- Honesty
- Teamwork
- Innovation
- Transparency

CORPORATE OBJECTIVES

- Community Well Being
- Planning and Development
- Environment and Health
- Organizational Performance and Capacity Building
- Prudent Financial Management
- Governance

Nasinu was formally incorporated a Town in 2000, by the then Ministry for National Planning, Local Government, Housing and Environment under Section 5 of the Local Government Act. It is located at latitude 18.08°S and 178.50°E longitude, south of equator and west of dateline. It has the largest municipal area in Fiji with its land area of 78.3 km², which is twice the size of Suva, and is nestled along the Suva – Nausori corridor stretching from the Samabula (4 miles) Bridge, at the junction of Wainivula Road, and Nokonoko (Bailey) Bridge to 9 miles Wainibuku Bridge and along Khalsa Road to the junction of Kanace Road.

Initially the boundary included areas beyond the Wainibuku Bridge right up to Nakasi, however these areas were later placed under the Nausori Town Council. The current population of Nasinu is estimated to be around 120,000 with a population growth rate of about 2% per annum. It is also home to approximately 13,000 squatter residents in 20 different squatter settlements and the number is still growing.

The town boundary is divided in seven wards with total rateable properties of around 11,731 official ratepayers. The number of ratepayers is expected to increase following the upgrading of two squatter settlements at Vatoa and Omkar, both in the greater Narere area, to fully developed housing estates, and the issuance of titles to lot owners.

In 2011, Mr. Mosese Kama continued as Special Administrator while Mr Simone Naikarua was appointed as Chief Executive officer to look after the overall operation of the Council. In Addition to, the appointment of CEO, the Council also appointed new Mangers for most departments.

This report is submitted in accordance with Section 19 of the Local Government Act, Cap. 125.



Shelvin Narayan
Actg. Chief Executive Officer

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1.0 THE COUNCIL

Nasinu Town is divided in seven wards with total rateable properties of around 11,731 official ratepayers. The number of ratepayers is expected to increase following the upgrading of two squatter settlements at Vatoa and Omark, both in the greater Narere area, to fully developed housing estates, and the issuance of titles to lot owners.

The Council provided services to the Seven wards namely: -

Ward 1	-	Makoi, Tuirara & Tovata
Ward 2	-	Valelevu, Naveiwakau, Kalabu & Newtown
Ward 3	-	Caubati
Ward 4	-	Narere, Navosai & Muanikoso
Ward 5	-	Laucala Beach Estate & Kinoya
Ward 6	-	Nadera
Ward 7	-	Nadawa, Nepani, Caqiri & Nasole

The Council was providing the following services: -

- Garbage Collection
- Building/Subdivision/Rezoning Applications
- Health Services (Inspection etc)
- Upkeep of Roadside drains and Grass
- Repair & Maintenance of Streetlights
- Markets & Licensing

Nasinu is mainly residential heavy township with very little commercial and industrial outlets. In addition, the Town is also home to over 2000 houses in 20 informal settlements who the council also includes in basis hygiene services without a cost.

2.0 MANAGEMENT & MEETING

ORDINARY COUNCIL

1. Mr. Mosese Kama, Special Administrator
2. Mr. Simone Naikarua, Chief Executive Officer
3. Mr. J Uluitoga, Manager Engineering
4. Mrs. Varea Waqa, Actg. Assistant HR Manager
5. Mr. Semi Tinivata, Manager Legal
6. Mr. Faiyaz Ali, Manager Finance
7. Mr. Alifereti Roko, Internal Auditor
8. Mrs. Elina Maraiwai, Secretary

The Council started the year with the above mentioned board with all departments represented. Subcommittees and their members to assist in the overall operations of the Council are as follows:

AUDIT SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Simone Naikarua, Chief Executive Officer
3. Mr. Alifereti Roko, Internal Auditor
4. Mrs. Elina Maraiwai, Secretary

TENDER SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Simone Naikarua, Chief Executive Officer
3. Mr. Jotame Uluitoga, Manager Engineering
4. Mrs. Elina Maraiwai, Secretary

HUMAN RESOURCES SUBCOMMITTEE

1. Mr. Simone Naikarua , Chief Executive Officer
2. Mr. Jotame Uluitoga, Manager Engineering
3. Mr. Faiyaz Ali, Manager Finance
4. Mrs. Varea Waqa, Actg. AHRM
5. Mrs. Alumeci Rokowati, Executive Scretary/PA

MARKETS & WORKS SUBCOMMITTEE MEETING

- | | | |
|-----------------------------|---|---------------------|
| 1. Mr. Jotame Uluitoga | | Manager Engineering |
| 2. Mr. Faiyaz Ali | | Manager Finance |
| 3. Mr. Vishal Maharaj | - | Market Master |
| 4. Mr. Taniela Taukeinakoro | - | Works Supervisor |
| 5. Mr. Ritinesh Kishore | - | Building Inspector |
| 6. Mr. Shelvin Narayan | - | Team Leader Health |
| 7. Ms Asha Sharma | - | Secretary |

HEALTH & ENVIRONMENT SUBCOMMITTEE

- | | | |
|-----------------------------|---|---------------------|
| 1. Mr. Jotame Uluitoga | - | Manager Engineering |
| 2. Mr. Vishal Maharaj | - | Market Master |
| 3. Mr. Taniela Taukeinikoro | - | Works Supervisor |
| 4. Mr. Ritinesh Kishore | - | Building Inspector |
| 5. Mr. Shelvin Narayan | - | Team Leader Health |
| 6. Ms Asha Sharma | - | Secretary |

BUSINESS LICENSE & PSV SUBCOMMITTEE

- | | | |
|------------------------|---|----------------------------|
| 1. Mr Semi Tinivata | - | Manager Legal |
| 2. Ms. Lusiana Vuniwai | - | PSV Officer |
| 3. Ms. Fereen Khan | - | Business Licensing Officer |
| 4. Ms Seini Bulicakau | - | Senior Rates Officer |
| 5. Mr. Shelvin Narayan | - | Team Leader Health |

The Council held the following number of Council and Committee Meetings-

- | | |
|--|-----|
| • Ordinary Council | - 8 |
| • Audit Subcommittee | - 6 |
| • Tender Subcommittee | - 6 |
| • Human Resources Subcommittee | - 7 |
| • Markets & Works Subcommittee Meeting | - 7 |
| • Health & Environment Subcommittee | - 6 |
| • Business License & PSV Subcommittee | - 6 |

3.0 ADMINISTRATION

Human Resource

Human resource Section was setup within the Council with the aim of ensuring the Council was in line with the various Labour laws and regulations. The section was tasked with the Formulation of the Council HR Manual to deal with day to day operations of the Council.

The Number of staff, requirement and Departures are as follows:

Staffing	Numbers
Office Staff	38
Depot Staff	89
New Staff Intake	25
Terminations	6
Resignations	3
Deaths	1

Council also sent a Health Inspector for Training on Environment Policies to China for 6 weeks. Additional staff were taken to assist the Council operations for services. In addition, the Council also suffered a loss of one Labourer who died because of Heart Attack.

Sports and Social

Sports and Social Club was active and was tasked at organized Annual Council Party as well get together to ensure staff maintained a "work life balance" within their life's.

IT Services

The Council IT section continued started with the upgrade of most IT infrastructure. With the purchase of a server all staff were allocated with specific email address for easier communication.

Library Report

The Library has been providing services to people of Nasinu. Also users along Suva – Nausori Corridor are daily users of the Library.

The Library also housed basic computers which students could use for typing of projects and other important documents.

One (1) Staff is in-charge of the Library who is appointed by the Council.
The operating hours are:

- Monday - Thursday - 8.00 am – 4.30 pm
- Friday - 8.00 am – 4.00 pm

The Library Books and other Educational Material were donated by the Council and the General Public. The Total number of Members in the Library as at 31st December was 301

4.0 SERVICES

4.1 Health

THE Council Health Inspectors worked in accordance with the Public Health Act to provide services to the ratepayers. These included:

- Attendance of Sanitary Complaints
- Inspections for Business Licenses
- Organization of Cleanup Campaigns
- Vector Surveillance
- Food Safety Inspections
 - Dog Trapping
 - Tree Planting

Attendance of Sanitary Complaints

The Council received a total 341 Sanitary related complaints of which all were attended to by the Council Officers.

Number of Complains Received	-	341
Number of Complaints Attended	-	337
Number of Complaints resolved	-	278

Some complaints were resolved in the following years as matters were before the Courts or need attention of other stakeholders to obtain solutions. The total of 443 notices were issued by Health Inspectors for the year with majority being complied to.

Inspections for Business Licenses

All business was inspected by the Health Inspectors before licenses is recommended for the year. A total of 1241 businesses were inspected for the year of which 1126 businesses were recommended for Licenses while the remainder were refuse due to non-compliance with the respective laws.

Organization of Cleanup Campaigns

The Council carried out 3 major cleanups of the Nasinu Area. The cleanups were targeted at removing bulky wastes to eradicate the Mosquito breeding places. The details of the cleanups are as follows:

Cleanups	Dates	Tonnes of Refuse
1st Cleanup	6 th February 2011 – 25 th February 2011	156 tonnes
2nd Cleanup	5 th June 2011 – 24 th June 2011	174 tonnes
3rd Cleanup	2 nd October 2011 – 21 st October 2011	202 Tonnes

The Cleanup included the collection of green wastes and Bulky wastes inclusive of white goods. The Council also obtained assistance from a few youth groups from Nadawa in cleaning of the refuse. The Council also partnered with Corporate organizations for cleanups in some areas.

Vector Surveillance

The Council worked in partnership with the Ministry of Health in carrying out quarterly larval surveys. A total of 100 houses were inspected in each quarter from different areas to determine the likelihood of a Mosquito borne outbreak.

In addition, the Council also carried out Mass Mosquito Adulting program with the assistance of the Ministry of Health in June 2011. All areas inclusive of informal settlements were sprayed with during this program.

Food Safety Inspections

Food Premises were inspected for Business Licensing, Liquor Licensing and Basic inspection of Sanitary compliance. The Number of premises inspected are as follows:

Type of Premises	Number of Inspections
Restaurant	37
Takeaways	18
Retail Shops	201
Food Manufacturers	17
Hawkers	223
Supermarkets	19
Butchers & Fish Shops	7

Most food premises had defects noted in their initial inspections thus re – inspections were conducted until satisfactory compliance was noted.

Dog Trapping Exercise

The Council started with quarterly Dog Trapping Programs whereby stray dogs were caught and provided to SPCA for care. Council constructed sufficient number of traps for this program and all trapping were done in the evenings. The Total number of Dogs trapped for the year was 89.

Tree Planting Exercise

A Tree Planting initiative was started for Nasinu whereby staff, members of the public and students were involved in planting trees. A total of 150 Native trees was planted around the Valelevu and Laucala Beach Areas.

4.2 Building

The Council Building section received and processed applications before it was sent to Department of Town & Country Planning for approval. this included applications for buildings, re-zoning, subdivisions and conditional approvals. The Total number of Building applications received are as follows:

Application in respect of Developments:- 2011	No.	Approved
New Dwelling	95	60
Renovation/ extension	163	100
Other works fencing, etc.	81	68
No. of Industrial	7	5
Civic development	6	3
No. of Commercial	15	10
Re-zoning	10	6
TOTAL	376	219

All applications were processed and sent to DTCP for approval. A total of 376 building applications was received by the Nasinu Town Council with the value of \$16,005,929.40. The Council received a total of \$15,175.24 as building fees from the applications.

The Council building inspectors carry out the systematic inspections on all structures approved by council at different stages during the construction of the building and then finally on completion of the building.

The total number of completed building for the year are as follows:

5.Completion Certificates Issued	No.
Residential	15
Commercial	3
Industrial	3
Civic	3
TOTAL	24

There were 10 Rezoning application received for the year 2011 and all applications were sent to Department of Town & Country Planning for approval of which 8 were approved.

1 Subdivision application was received for the year 2011 whereby comments were provided by the Council and submitted to Town Planning for approval.

4.3 Works Report

The works Section of the Council provided the following services to the residents of Nasinu:

- Collection of Kitchen waste
- Cleaning of Roadside drains
- Overgrowth Control in public places

- Upkeep of grounds
- Maintenance of Markets
- Street light repairs
- Collection of Green Waste

Collection of Kitchen waste

The Collection of Kitchen waste in Nasinu was done by Council. Collection of refuse was done twice a week from all areas within Nasinu. In addition, a Contractor was hired to provide Skipbins to all market sites for the collection of refuse.

Cleaning of Roadside drains

Cleaning of all drains in Nasinu was done by Council. Council had formed operations Teams who were to ensure that all drains in each ward was cleared at least once every month. The same group was tasked with the management of overgrowth on Roadsides and public places.

Upkeep of grounds

All grounds and open spaces were maintained by Council at least once every month to ensure residents have adequate areas for recreation. The Council also created a Children's Park in the Makoi area for recreational use of children. In addition, soccer and rugby posts were placed at the Tuirara grounds to allow for residents to utilize for the 2 sports.

Maintenance of Markets

Nasinu has 3 major markets in Valelevu, Narere and Makoi and maintenance of the markets was carried out as and when required. Also the markets were thoroughly washed each quarter with the assistance of the National Fire Authority.

Streetlight Repairs

The Electrical Unit of the Council continued the maintenance of Street lights around Nasinu. The Unit also looked into the installation of new lights as well.

Green Waste Collection

The Council introduced the collection of Monthly Green waste collection for all areas within Nasinu. The Council Backhoe donated by the Japanese Government greatly assisted the collection of refuse.

5.0 Legal

A Legal Services Department was setup in the Council tasked at handling all legal matters for the Council. The Legal officer was also tasked to look at current by laws and take necessary steps to strengthen it.

All cases against and for Councils was attended to by the legal department. In addition, the Council enforcement team also assisted in the recovery of Town Rate arrears.
A Total of 45 Cases were filed in Court

6.0 Finance

The Finance department managed the income and expenditure of the Council. The Council received revenue from:

- Town Rates & Garbage Fees
- Business License
- Taxi Base Fees
- Market fees
- Income from property usage like grounds

6.1 Town Rates & Garbage Fees

RATES COLLECTED			
Month	Amount	Month	Amount
January	\$483,870.91	July	\$204,726.01
February	\$283,334.96	August	\$176,278.96
March	\$293,905.76	September	\$206,881.68
April	\$184,870.33	October	\$172,102.48
May	\$223,141.61	November	\$161,153.25
June	\$231,572.97	December	\$404,712.43

The Council collected a total of \$3,026,551.35 in Town rates and Garbage fees for the year. Council had provided a discount on the payment of rates in January & February while an Interest waiver was provided in December. The total Outstanding Rates and Garbage Fees as at 31st December 2011 was \$8,600,725.00

6.2 Business License

A total of 1341 Licenses were issued to business for operations in year 2010. The Total income from Business license was \$125,444.49.

6.3 Taxi

The Council had 76 approved taxi bases which accommodated for 642 Taxis for the whole of Nasinu area. the total income received Taxi base fees and approvals was \$241,639.27.

7.0 Major Events & Achievements

Narere Market

A new market was opened in Narere for Vendors to sell vegetables. The market was contrasted through the funding received from the Office of the Prime Minister and had 60 stalls. The Market was opened by Mr Wade Evans, Managing Director of Housing Options Production Enterprise on 3rd February 2011.

6.5 Audited Finance

The Financial of the Council Total income and Expenditure is currently with the Auditor General's Office for Auditing.

6.6 Market Report

The Council collected market fees from vendors in Valelevu, Narere & Makoi markets. In addition to, minimal fees were accepted from roadside markets at Centrepont and Laqere to cater for garbage collection. The Number of Stalls in all markets are 218. The Total fees collected from markets for the year is \$127,378.45

8.0 Acknowledgement

The Council wishes to show its appreciation and gratitude to the Business Houses, Ratepayers and other Stakeholders for paying their Business License Fee, Rates and other dues to meet the running cost of the town's administration.

The Council also wishes to acknowledge the dedicated services rendered by its Management and Staff.

Nasinu Town Council also wishes to record with appreciation the assistance and support given by the Minister for Local Government, Housing, Squatter Settlement and Environment, the Permanent Secretary, the Director, Local Government and Staff, including the Director, Town and Country Planning for their assistance and guidance which greatly facilitated the effective administration of the Council.

We would also like to thank various Government Departments, Donor Agencies, Non-Government Organizations, Private Institutions and the Public for their support during the year.

9.0 Appendix

Attached.

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
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P. O. Box 2214, Government Buildings
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File: 850

21 September 2022

Mr. Uma Patel
Chairperson Special Administrators
Nasinu Town Council
NASINU

Dear Mr. Patel

NASINU TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The audited financial statements for Nasinu Town Council for the year ended 31 December 2011 together with my audit report on them are enclosed.

Particulars of errors and omission arising from the audit have been forwarded to the management of the Council for necessary action.

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

cc: Mrs. Anurashika Bari, Chief Executive Officer, Nasinu Town Council.

Encl.

NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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**NASINU TOWN COUNCIL
MANAGEMENTS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

In accordance with a resolution of management, the management herewith submit the statement of financial position of the Council as at 31 December 2011, the related statement of comprehensive income, statement of changes in accumulated funds and statement of cash flow for the year then ended on that date and report as follows:

Managements'

The names of the managements' in office at the date of this report are:

		Appointment Date	Resignation Date
Mr. Mosese Kama	- Special Administrator	Feb-10	Aug-19
Mr. Lute Berends	- Chief Executive Officer	Mar-17	Nov-18
Ms. Esita Nawani	- Manager Finance	18/06/2012	03/05/2020
Mr. Alifereti Roko	- Internal Auditor	23/05/2011	10/10/2017
Mr. Mosese Yavalavanua	- Manager Engineering	23/05/2012	07/06/2019
Mr. Shelvin Narayan	- Senior Health Inspector	04/05/2009	27/01/2020
Mrs. Filimaina Waqa	- Manager Human Resources	22/07/2013	22/02/2017
Mr. Uma Kant Patel	Special Administrator	Mar-22	Current
Mr. Praneel Prasad	Special Administrator	Mar-22	Current
Ms. Elizabeth Peters	Special Administrator	Mar-22	Current
Mrs. Anurashika Bari	Chief Executive officer	Aug-20	Current
Mr. Mohammed Imran	Manager Corporate Services	05/05/2022	Current
Mrs. Saidi Nazrana	Senior Internal Auditor	15/03/2021	Current
Ms. Losalini Bakeirewa	Senior Health Inspector	08/02/2021	Current
Mr. Shiraz Ali	Senior HR officer	08/02/2021	Current

Principal Activities

The principal activities of the Council during the year was established under the Local Government Act (Cap 125) to provide for the health, welfare and convenience of the inhabitants of Nasinu Town Council and to preserve the amenities or credit thereof.

There were no significant changes in the nature of these activities during the financial year.

Results

The net surplus for the financial year was \$352,591 (2010 - \$1,127,089).

Reserves

It is proposed that no amounts be transferred to general reserves from accumulated funds, except for the movement in statement of changes in accumulated funds.

Bad and Doubtful Debts

Prior to the completion of the Council's financial statements, the managements took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts. In the opinion of the managements, the provision for doubtful debts is adequate.

As at the date of this report, the managements are not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

Non-Current Assets

Prior to the completion of the financial statements of the Council, the management took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of business and their values as shown in the accounting records of the Council. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to be realized.

As at the date of this report, the management is not aware of any circumstances, which would render the values attributed to non-current assets in the Council's financial statements misleading.

**NASINU TOWN COUNCIL
MANAGEMENTS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

Unusual Transaction

In the opinion of the management, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the management, to affect substantially the results of the operations of the Council in the current financial year.

Events Subsequent to Balance Date

COVID-19 Outbreak

Subsequent to the end of the financial period, in April 2021, in response to the 2nd wave of COVID-19 outbreak in Fiji, the Government announced a number of measures including lockdown of certain containment areas within the country. Under the lockdown restrictions, all non-essential businesses were required to be closed unless the workplace was deemed part of a permitted essential industry as set out by the Ministry of Health and the Ministry of Commerce Trade and Transport. These measures have not had a material impact on the Council's Financial Statements as at 31 July 2011.

Business Licenses

As announced in the 2020/2021 National Budget, effective from 01 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

Other than the above mentioned events, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

Managements' Benefits


Since the end of the previous financial year, no management has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by the management as shown in the financial statements or received as the fixed salary of a full-time employee of the Board or of a related corporation) by reason of a contract made by the Council or by a related corporation with the management or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the managements and in accordance with a resolution of the management.

Dated this 9th day of September 2022.



Special Administrator



Chief Executive officer

NASINU TOWN COUNCIL
STATEMENT BY MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

In accordance with a resolution of the management of the Nasinu Town Council, we state that in the opinion of the management:

[i] the accompanying statement of comprehensive income of the Council is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2011;

[ii] the accompanying statement of financial position of the council is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2011;

[iii] the accompanying statement of changes in accumulated funds of the Council is drawn up so as to give a true and fair view of the changes in accumulated funds of the Council for the year ended 31 December 2011;

[iv] the accompanying statement of cash flow of the Council is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 December 2011;

[v] the financial statements have been prepared in accordance with International Financial Reporting Standards and;

[vii] at the date of this statement there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due;

For and on behalf of the management and in accordance with a resolution of the management.

Dated this 9th day of Sept 2022.


.....

Special Administrator


.....

Chief Executive officer

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



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Website: www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

Nasinu Town Council

Report on the audit of the financial statements

I have audited the accompanying financial statements of the Nasinu Town Council which comprise the Statement of Financial Position as at 31 December 2011, Statement of Changes in Equity, Statement of Comprehensive Income, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

I do not express an opinion on the accompanying financial statements of Nasinu Town Council. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I am unable to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Cash at Bank and on Hand

1. The Council recorded bank statement deposits instead of individual receipts as a source of recording cash in the general ledger and performing of bank reconciliation. As with this approach there is a risk that receipts not banked will not be included in the general ledger. In addition, there was a variance of \$29,263 between Council Revenue Management listing and bank deposits. Therefore, I was unable to satisfy myself whether all cash receipts have been completely and accurately accounted for in the financial statements.
2. Unreconciled variance of \$57,241 exist between the cash at bank balance and the cash flow statement balance. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows. As a result, I am unable to satisfy myself whether the statement of cash flows has been fairly reported in the financial statements.

Trade and Other Receivable

3. Included in Trade and Other Receivables (Note 7) are advances and deposits of \$68,100 and \$5,702 respectively. I was not provided with the supporting documents to substantiate these balances. Consequently, I was unable to satisfy myself on the accuracy of these balances reported in the financial statements.
4. The Council has recorded rates debtors amounting to \$8,765,340 (Note 7). I note that the Council has calculated the allowance for doubtful debts at 5% of the gross rates receivable. From the Council's disclosure in Note 7, I note that the rate payers owe 82% of the rates which are over 1-year-old. No documentations were made available to substantiate the calculation of management's estimate of 5%. Consequently, I was not able to satisfy myself if the management's estimate of 5% is adequate for assessing the impairment of rates debtors and whether any adjustment might have been necessary in respect of the Council's rates debtors at year end and any corresponding adjustments to the elements making up the statement of income and expenditure.

Basis for Disclaimer of Opinion (con't)

5. The Council has not performed VAT reconciliation to support VAT receivable of \$18,597. I was also unable to satisfy myself from alternative audit procedure on the accuracy of the balance. Consequently, I am not able to confirm the accuracy of the VAT receivable stated in the financial statements.

Property, Plant and Equipment

6. Included in the Property, Plant and Equipment balance of \$2,053,635 (Note 8) is Work in Progress (WIP) of \$431,660. I was not provided with the supporting documents to establish the existence of this balance as at 31 December 2011. In addition, I note that the council has disposed this WIP in 2012. Consequently, I was unable to satisfy myself on the accuracy of this balance as at 31 December 2011.

Trade and Other Payables

7. Included in Trade and other payables (Note 11) are Trade payables of \$39,934 and other payables of \$55,015. I was not provided with a detailed listing of these balances. Consequently, I was unable to perform necessary audit procedures to satisfy myself on the accuracy of these balances as reported in the financial statements.

Deposits

8. The Council has recorded \$361,775 as commercial lot deposits. The Council has not maintained separate bank account for this deposits. As at balance date the Council has insufficient funds to meet the refunds of the customers should the need arise.

Revenue and Expenses

9. Included in total revenue of the Council is general rates amounting to \$1,957,698 and market rates of \$110,779. The Council was unable to provide appropriate records to support these balances. Consequently, this has limited my scope to perform appropriate test procedures to ascertain the accuracy of the rates and market revenue reported in the financial statements.
10. Payment vouchers totaling \$137,159 was not provided to me for verification. Consequently, I was unable to confirm the accuracy of these payments and its disclosure in the financial statements.
11. The Council's WINBIZ Rate System has not generated separate reports from 2005. As a result, special loan rates and street light rates were not appropriately disclosed in their respective accounts but included with general rates income in the General Fund Account contrary to section 47(2)(b) of Local Government Act.
12. Generally, internal control function of the Council was found to be weak. Poor cash and revenue management, poor payroll management and employee records, purchase and payment processes were not complied with, and poor management and administration of leave records.
13. The Council did not provide solicitors confirmation at balance date. Consequently, I was unable to determine whether any disclosures to the financial statements in respect of contingent liabilities were necessary.

Other information

Management is responsible for the other information. The other information comprises the information included in the Special Administrators' report, but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work, I conclude that there is a material misstatement of this other information, I am required to report that fact. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to matters described in the Basis for Disclaimer of Opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management and Special Administrators are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs and the Local Government Act 1972, and for such internal control as the Management and Special Administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Special Administrators are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and Special Administrators either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to provide a basis for an audit opinion of these financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
21 September, 2022

**NASINU TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Revenue			
General rates		1,957,698	2,320,421
Business and trade license		237,936	201,283
Taxi stand and carrier base charges		283,939	247,784
Other operating income	2	299,652	335,818
Total operating revenue		2,779,225	3,105,306
Expenses			
Advertising and public relation expense		(22,509)	(43,405)
Depreciation and amortisation expense		(213,605)	(155,669)
Employees salaries and benefits expenses	3	(1,889,551)	(1,430,910)
Garbage collection expense		(442,443)	(540,587)
Repairs and maintenance expense		(185,556)	(230,079)
Transportation expense		(112,663)	(97,906)
Other operating expenses	4	(389,404)	(289,316)
Total operating expenses		(3,255,731)	(2,787,872)
Operating (deficit) / surplus before interest		(476,506)	317,434
Finance costs	5	(38,034)	(47,288)
Interest income	5	867,131	856,943
Operating surplus for the year		352,591	1,127,089
Other comprehensive income		-	-
Total comprehensive income for the year		352,591	1,127,089

The accompanying notes form an integral part of this statement of comprehensive income.

NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash on hand and at bank	6	65,251	198,595
Trade and other receivables	7	8,891,220	8,584,782
Total current assets		<u>8,956,471</u>	<u>8,783,377</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	2,053,635	2,188,598
Investment property	9	46,875	47,500
Intangible asset	10	6,785	5,747
Total non current assets		<u>2,107,295</u>	<u>2,241,845</u>
TOTAL ASSETS		<u>11,063,766</u>	<u>11,025,222</u>
CURRENT LIABILITIES			
Trade and other payables	11	76,352	263,877
Interest bearing borrowings	12	190,190	188,481
Provisions	13	32,066	24,051
Total current liabilities		<u>298,608</u>	<u>476,409</u>
NON CURRENT LIABILITIES			
Interest bearing borrowings	12	143,766	230,011
Deposits	14	397,945	397,945
Deferred revenue	15	423,946	473,946
Total non current liabilities		<u>965,657</u>	<u>1,101,902</u>
TOTAL LIABILITIES		<u>1,264,265</u>	<u>1,578,311</u>
NET ASSETS		<u>9,799,501</u>	<u>9,446,911</u>
MUNICIPAL FUNDS			
Accumulated funds		9,799,501	9,446,911
TOTAL MUNICIPAL FUNDS		<u>9,799,501</u>	<u>9,446,911</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 23.



SPECIAL ADMINISTRATOR



CHIEF EXECUTIVE OFFICER

NASINU TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Accumulated funds \$	Government grant \$	Total \$
Balance at 31 December 2009 (IFRS Restated)	8,319,821	-	8,319,821
Surplus for the year 2010	1,127,089	-	1,127,089
Balance at 31 December 2010	9,446,910	-	9,446,910
Surplus for the year 2011	352,591	-	352,591
Balance at 31 December 2011	9,799,501	-	9,799,501

The accumulated funds balance as at 31 December 2008, 1 January 2009 and 31 December 2009 have been restated for errors in increase in garbage fees of \$2,215,846 impacting Accumulated funds, VAT Payable, General rates, Rates debtors for 2007 and 2008 years in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The Statement of Changes in Accumulated Funds are to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 23.

**NASINU TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from customers		2,404,929	2,347,108
Payments to suppliers and employees		(3,203,782)	(2,631,983)
Cash generated from operations		(798,853)	(284,875)
Interest and other costs of finance paid		(38,033)	(47,287)
Interest income		867,131	266,373
Net cash provided by operating activities		30,245	(65,789)
Cash flows from investing activities			
Payment for property, plant and equipment		(79,054)	(349,627)
Net cash used in investing activities		(79,054)	(349,627)
Cash flows from financing activities			
Borrowings		-	125,258
Repayment of borrowings		(157,796)	-
Proceeds from government grant		-	-
Net cash provided/(used) by Financing Activities		(157,796)	125,258
Net increase in cash and cash equivalents		(206,605)	(290,158)
Cash and cash equivalents at the beginning of the year		198,595	488,753
Cash and cash equivalents at the end of the year	6	(8,010)	198,595

The Statement of Cash flows are to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 23.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report has been prepared in accordance with the Local Government Act (Cap 125), and International Financial Reporting Standards (IFRS) for SME.

Basis of Preparation

The Council has changed its accounting policies which were based on Fiji Accounting Standards on 1 January 2008 to comply with IFRS for SME. The transition to IFRS is accounted for in accordance with IFRS 1 'First-time Adoption of International Financial Reporting Standards', with 1 January 2008 as the date of transition.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2011 with the comparative information presented in these financial statements for the year ended 31 December 2010.

The financial report has been prepared on the basis of historical cost, except where revaluation of certain non-current assets is carried. The Council has not carried out any revaluation of certain non-current assets. Cost is based on historical cost.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and association assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowing costs

Borrowing costs directly attributed to buildings under construction or lands are capitalised as part of the cost of those assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

(c) Comparative amounts

Comparative amounts have been restated to comply with the adoption of IFRS and related financial statement and disclosure impact.

(d) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provision made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Defined contribution plans ;

Contributions to State owned defined contributed superannuation plans are expensed when incurred.

(e) Financial assets

Financial assets are classified into "advances and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Advances and receivables ;

Trade receivables loans and other receivables are recorded at less allowance for doubtful debts.

(f) Foreign currency transactions

During the year there were no foreign currency transactions.

If there was foreign currency transactions during the financial year would have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non- monetary assets and liabilities would have been carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value would have been determined.

Exchange differences would have been recognised in the statement of comprehensive income in the period in which they arise.

(g) Impairment of assets

At each reporting date, the Council is expected to review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an Impairment loss. If any such indication exists, the recoverable amount of the asset is to be estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flow that are independent from other assets, the Council would have estimated the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets, if relevant, are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value that reflects current market assessments of the time money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

(g) Impairment of assets (cont'd)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

(h) Income tax

The Council is exempted from income tax in accordance with the provision of the Section 17 (4) of the Income Tax Act (Cap 201).

(i) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured at its cost at the reporting date. If there are Gains or losses arising from changes in the fair value of investment property are included in income statement in the period in which they arise.

(j) Intangible Assets

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated useful life of ten years using the straight line method.

If there is an indication of a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

(k) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Council as lessor ;

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

If the Council had engaged in opening lease payments it would have recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives ;

In the event that lease incentives are received to enter into operating leases, such incentives would have been recognised as a liability. The aggregate benefits of the incentives will be recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Payables

Trade payable and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from purchase of goods and services.

(m) Presentation currency

All amounts are stated in Fijian currency.

(n) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

(n) Property, plant and equipment (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the item. Cost of leasehold land include initial premium payment or price paid to acquire leasehold land including acquisition costs. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including buildings and leasehold land but excluding freehold land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The Council have not depreciated Leasehold improvements over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method would have been reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Furniture, fittings and office equipment	20% - 8%
Motor vehicles	20%
Plant and tools	20%
Streetlights	8%

(o) Provisions

Provisions are recognized when the Council has a present obligation, the future sacrifice of economic benefits is portable, and the amount of the provision can be measured reliably.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(p) Revenue recognition

General rates, business and trade license, and taxi stand and carrier base charges

Revenue from general rates, business and trade license and taxi stand and carrier base charges are recognized on a normal accrual basis, net of Values Added Tax.

Other operating income

Rental income, advertising on Council properties, fines and miscellaneous income and hire of playing fields are recognized on a normal accrual basis, net of Value added Tax.

Rental income represent income earned from renting out of Kiosk building space and is stated net of Value Added Tax.

Interest income

Interest income is recognized on all overdue general rates and business and trade license and rental income.

(q) Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax (VAT), except:

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

(q) Value added tax (cont'd)

- i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) For receivables and payables which are recognized inclusive of VAT.
- iii) VAT is payable based on cash basis for the Council.
- vi) VAT payable / receive recognition based on accrual basis of revenues and expenses and are reconciled to that of cash receipts and payments.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(r) Government grant

Grants from the government are recognized at their fair value in the statement of comprehensive income where there is a reasonable assurance that the grant will be received and the Council has complied with all attached conditions. Grants received where the Council has yet to comply with all attached conditions are recognized as a liability (and included in deferred income) and released to income when all attached conditions have been complied with. Government grants received are included in 'other operating income' in statement of comprehensive income.

	2011	2010
	\$	\$
NOTE 2. OTHER OPERATING INCOME		
Rental income	149,600	130,878
Deferred revenue	50,000	26,054
Fines and miscellaneous income	75,878	159,615
Hire of playing field	24,174	18,808
Subscription	-	463
	<u>299,652</u>	<u>335,818</u>

NOTE 3. EMPLOYEES SALARIES AND BENEFITS EXPENSES

Salaries and wages	1,648,765	1,232,705
FNPF contribution	128,224	101,055
TPAF levy	17,793	16,203
Training and education	12,262	7,612
Allowances	82,507	73,335
	<u>1,889,551</u>	<u>1,430,910</u>

NOTE 4. OTHER OPERATING EXPENSES

Telephone, internet and fax	23,304	17,971
Printing, stationery and postages	40,472	39,985
Insurances	21,367	16,954
Meeting and entertainment expenses	2,208	5,249
Electricity and water	194,127	148,090
Audit fee	14,430	4,700
Bank charges	3,189	2,152
Legal expenses	26,732	34,645

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$
NOTE 4. OTHER OPERATING EXPENSES (CONT'D)		
Subscriptions	278	1,669
Doubtful debts	17,856	(45,520)
General operating expenses	45,441	63,421
	<u>389,404</u>	<u>289,316</u>

NOTE 5. FINANCE COSTS AND INTEREST INCOME

Finance costs

Loan - Westpac Banking Corporation Limited	19,286	22,549
Finance lease - Credit Corporation Fiji Liited	3,057	13,969
Finance lease-Merchant Finance Co. Limited	15,691	10,770
Total finance costs	<u>38,034</u>	<u>47,288</u>

Interest income

Interest on overdue rates	867,131	856,943
Total finance income	<u>867,131</u>	<u>856,943</u>

NOTE 6. CASH ON HAND AND AT BANK

Petty cash	200	100
Bank of South Pacific Limited	65,051	198,495
	<u>65,251</u>	<u>198,595</u>

NOTE 7. TRADE AND OTHER RECEIVABLES

Current

Trade receivables	9,283,205	8,958,911
Allowance for doubtful debts	(465,787)	(447,930)
	<u>8,817,418</u>	<u>8,510,981</u>

Other receivables:

Advances	68,100	68,099
Deposits	5,702	5,702
Total current trade and other receivables	<u>8,891,220</u>	<u>8,584,782</u>

Trade receivables principally comprise amounts outstanding for General rates, business and trade license and rental income. Trade receivables are non-interest bearing and are generally settled on 30-60 days terms.

Movement in the allowance for doubtful debts:

Balance at the beginning of the year	447,930	493,450
Additional allowance during the year	17,857	-
Reversal of allowance for doubtful debts	-	(45,520)
	<u>465,787</u>	<u>447,930</u>

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 7. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables principally comprise amounts outstanding for General rates, business and trade license and rental income. Trade Receivables are non-interest bearing and are generally settled on 30-60 days terms.

As at 31 December 2011 trade receivables at nominal value of \$8,891,220 (2010: \$8,584,782) were examined for impairment and \$465,787 (2010: \$447,930) were provided for as follows:

Provisions for doubtful debts have been provided based on 5% of the total outstanding of trade receivables. Management is of the opinion that 5% is a reasonable basis in the determination of provisions for doubtful debts.

	2011 \$	2010 \$
At 31 December, the ageing analysis of trade receivables is as follows:		
General rates receivable		
Year 1	1,600,943	1,566,587
Year 2	3,595,047	3,517,898
Year 3	3,569,350	3,492,752
Total general rates trade receivables	8,765,340	8,577,237
Business, trade license and rental receivable		
30 - 60 days	94,586	69,711
60 - 90 days	212,398	156,540
Over 90 days	210,882	155,423
Total business, trade license and rental trade receivables	517,866	381,674
Total trade receivables	9,283,206	8,958,911

General rates receivables are charged and interest when rates are not settled within 12 months period.

Business and trade license is expected to be settled within 30 – 60 days period. Outstanding balances incur interest.

Rental receivables is expected to be settled 30-60 days period. Outstanding balances incur interest.

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Streelights	Motor Vehicles	Office equipment & furnitures	Plant and & tools	Capital work in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance at 31.12.2010	688,675	702,363	829,814	197,839	35,339	431,660	2,885,690
Additions	-	-	53,239	12,973	10,574	-	76,786
Disposals	-	-	-	-	-	-	-
Balance at 31.12.2011	688,675	702,363	883,053	210,812	45,913	431,660	2,962,476
Accumulated depreciation							
Balance at 31.12.2010	48,743	148,135	389,007	97,944	13,263	-	697,092
Depreciation for the year	7,826	56,045	112,088	27,694	8,096	-	211,749
Disposals	-	-	-	-	-	-	-
Balance at 31.12.2011	56,569	204,180	501,095	125,638	21,359	-	908,841
Net book value at 31.12.2011	632,106	498,183	381,958	85,174	24,554	431,660	2,053,635
Net book value at 31.12.2010	639,932	554,228	440,807	99,896	22,076	431,660	2,188,598

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
NOTE 9. INVESTMENT PROPERTY		
Building - at cost	50,000	50,000
Less: accumulated depreciation	(3,125)	(2,500)
	<u>46,875</u>	<u>47,500</u>

Investment property generates flow of rental income from Kiosk building by renting out spaces for small to medium size business and

There was no valuation carried out the investment property. The cost is based on historical cost.

NOTE 10. INTANGIBLE ASSETS

Computer software at cost		
Balance at 31 December 2010	11,172	11,172
Additions	2,269	-
Disposals	-	-
Unidentified Deposits	-	-
Balance at 31 December 2011	<u>13,441</u>	<u>11,172</u>
Accumulated amortisation		
Balance at 31 December 2010	5,425	4,308
Amortisation for the year	1,231	1,117
Disposals	-	-
Balance at 31 December 2011	<u>6,656</u>	<u>5,425</u>
Net book value at 31 December 2011	<u>6,785</u>	<u>5,747</u>

NOTE 11. TRADE AND OTHER PAYABLES

Trade payables	39,934	193,402
Other payables	55,015	40,506
VAT (receivable)/payable	(18,597)	29,969
	<u>76,352</u>	<u>263,877</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. Trade payables are normally settled on 30 – 60 days term.

NOTE 12. INTEREST BEARING BORROWINGS

Secured		
Current		
Bank overdrafts	73,261	71,552
Bank loan - Westpac Banking Corporation Limited (a)	85,632	85,632
Finance loan - Credit Corporation Fiji Limited (b)	7,826	7,826
Finance Lease-Merchants Finance Pty Limited (c)	23,471	23,471
Total current secured borrowings	<u>190,190</u>	<u>188,481</u>
Non - Current		
Bank loan - Westpac Banking Corporation Limited (a)	70,095	131,295
Finance loan - Credit Corporation Fiji Limited	12,490	18,889
Finance Lease-Merchants Finance Pty Limited (c)	61,181	79,827
Total non-current secured borrowings	<u>143,766</u>	<u>230,011</u>

NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 12 INTEREST BEARING BORROWINGS (CONT'D)

Particulars relating to secured borrowings:

- (a) The loan from Westpac Banking Corporation Limited was raised by Nasinu Town Council in 2004 to construct Council's office building at the rate of 7.49%.

The loans are secured by Crown lease No. 213526 and Crown lease No. 540554.

- (b) The finance lease from Credit Corporation Fiji Limited is secured by a bill of sale on Motor vehicle EU178. The interest is compounded at 11% for 4 years.

- (c) The finance lease from Merchant Finance & Investment Co. Limited is secured by a bill of sale on Motor Vehicle FR604, FR724, FR179 and FR718. The interest is compounded at varying interest rates between 6.80% to 6.89%. The term of the lease is between 4 to 5 years.

	2011 \$	2010 \$
Obligations under finance lease		
Not later than one year	51,192	42,129
Later than one year but not later than two years	48,173	42,129
Later than two years but not later than five years	34,928	73,977
	<u>134,293</u>	<u>158,235</u>
Less charges	29,324	28,222
	<u>104,969</u>	<u>130,013</u>
 Finance lease obligation is classified as follows:		
Current liability		
Finance Loan-Credit Corporation Fiji Limited (b)	7,826	7,826
Finance Lease-Merchants Finance Pty Limited (c)	23,471	23,471
	<u>31,297</u>	<u>31,297</u>
Non-current liability		
Finance Loan-Credit Corporation Fiji Limited (b)	12,490	18,889
Finance Lease-Merchants Finance Pty Limited (c)	61,181	79,827
	<u>73,671</u>	<u>98,716</u>
Total finance lease obligations	<u>104,968</u>	<u>130,013</u>

NOTE 13 PROVISIONS

Employee leaves	<u>32,066</u>	<u>24,051</u>
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NOTE 14 DEPOSITS

Deposits from tenants and advance payments from rate payers	36,170	36,170
Commercial lot deposits	<u>361,775</u>	<u>361,775</u>
	<u>397,945</u>	<u>397,945</u>

The commercial lot deposits comprised of property purchased Lot 4, DP 6380, HL 13526 situated at Valelevu Nasinu on 15th February 2006. The purchase price of the land was \$1,000,000 + 2,700 square meter of the land that will be given to the seller after the land is fully developed and subdivided. Instead of paying \$1,000,000 cash upfront to the seller both parties agreed that, deposits received by the Council for the sale of subdivided land will be deposited into the trust account of the sellers solicitor.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
NOTE 15 DEFERRED REVENUE		
<u>Government grant (a)</u>		
Balance as 31 December	248,946	250,000
Grant received during the year	-	-
Deferred income recognised during the year	-	(1,054)
	<u>248,946</u>	<u>248,946</u>
<u>Japanese Government grant (b)</u>		
Balance as 31 December	225,000	250,000
Grant received during the year	-	-
Deferred income recognised during the year	(50,000)	(25,000)
	<u>175,000</u>	<u>225,000</u>
	<u>423,946</u>	<u>473,946</u>
Total Deferred income		
Current	50,000	27,037
Non-Current	373,946	446,909
Total Government grant	<u>423,946</u>	<u>473,946</u>

- (a) Deferred revenue relates to grant received from the Government for the upgrading of roads, drains and street lights for some of the identified squatter/informal settlements in Nasinu Town Council area.

As at 31 December 2011 no such projects were undertaken.

- (b) The Japanese Government donated a Caterpillar SS660 to the Council in 2010.

Revenue is brought to account over the periods necessary to match the related cost of the projects.

NOTE 16 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 2011 and Nil in 2010.

NOTE 17 CONTINGENT LIABILITIES

There were no contingent liability as at 31 December 2011 and Nil in 2010.

NOTE 18 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Net Cash provided by operating activities to net surplus		
Operating surplus	352,591	1,127,090
Depreciation and amortisation	213,605	155,668
(Gain)/loss on sale of assets	-	-
Deferred income	(50,000)	(26,054)
Allowance for doubtful debts	17,856	(45,520)
Provision for employee entitlements	8,015	9,412
Change in assets and liabilities:		
(Increase)/decrease in debtors and sundry debtors	(324,296)	(1,305,767)
(Increase)/decrease in deposits and prepayments	-	(8,464)
(Increase)/decrease in accounts payable and accruals	(138,959)	44,793
(Increase)/decrease in other liabilities	-	15,000
(Increase)/decrease in VAT receivable/(payable)	(48,567)	(31,947)
	<u>30,245</u>	<u>(65,789)</u>

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 19 RELATED PARTY DISCLOSURE

Management

The names of the managements' in office at the date of this report are:

		Appointment Date	Resignation Date
Mr. Mosese Kama	- Special Administrator	Feb-10	Aug-19
Mr. Lute Berends	- Chief Executive Officer	Mar-17	Nov-18
Ms. Esita Nawani	- Manager Finance	18/06/2012	03/05/2020
Mr. Alifereti Roko	- Internal Auditor	23/05/2011	10/10/2017
Mr. Mosese Yavalavanua	- Manager Engineering	23/05/2012	07/06/2019
Mr. Shelvin Narayan	- Senior Health Inspector	04/05/2009	27/01/2020
Mrs. Filimaina Waqa	- Manager Human Resources	22/07/2013	22/02/2017
Mr. Uma Kant Patel	Special Administrator	Mar-22	Current
Mr. Praneel Prasad	Special Administrator	Mar-22	Current
Ms. Elizabeth Peters	Special Administrator	Mar-22	Current
Mrs. Anurashika Bari	Chief Executive officer	Aug-20	Current
Mr. Mohammed Imran	Manager Corporate Services	05/05/2022	Current
Mrs. Saidi Nazrana	Senior Internal Auditor	15/03/2021	Current
Ms. Losalini Bakeirewa	Senior Health Inspector	08/02/2021	Current
Mr. Shiraz Ali	Senior HR officer	08/02/2021	Current

NOTE 20 SIGNIFICANT EVENTS

There was no significant events during the year.

NOTE 21 EVENTS SUBSEQUENT TO BALANCE DATE

(a) COVID-19 Outbreak

Subsequent to the end of the financial period, in April 2021, in response to the 2nd wave of COVID-19 outbreak in Fiji, the Government announced a number of measures including lockdown of certain containment areas within the country. Under the lockdown restrictions, all non-essential businesses were required to be closed unless the workplace was deemed part of a permitted essential industry as set out by the Ministry of Health and the Ministry of Commerce Trade and Transport. These measures have not had a material impact on the Council's Financial Statements as at 31 July 2011.

(b) Business Licenses

As announced in the 2020/2021 National Budget, effective from 01 August 2020 Fiji's business license regime would be abolished and fees will no longer be collected by the Council.

(c) Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

Other than the above mentioned events, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 22 FINANCIAL RISK MANAGEMENT

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation units. The key management provides overall risk management policies, as well as policies covering areas in interest risk, credit risk and on management of excess liquidity and tight cash flows.

(a) Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and credit spreads will affect the Council's income or the value of its holdings of financial instructions. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

(b) Interest risk

The Council has significant interest-bearing borrowings. Borrowings from banks and other financial institutions at variable interest rates exposes the Council to interest rate risk. These risks are managed closely by management within the approved policy parameters. For additional borrowings, the Council negotiates an appropriate interest rate with banks and other financial institutions with the management's approval and borrows from the bank and other financial institutions which offers the overall favorable terms including interest rates.

(c) Regulatory risk

The Council's financial performance can be impacted by government regulatory policies such as to differing on collection of debts.

The salaries and wages payable to employees are subject to relevant wages regulations and employment legislation.

(d) Credit risk

Credit risk is the risk of financial loss to the Council if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the council's receivables from its customers.

The Council has policies in place to review on a consistent basis on long term debt from its customers.

A provision for doubtful debts is provided based on income basis to total receivables outstanding.

(e) Liquidity risk

The Council manages liquidity risk by maintaining adequate, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

NOTE 23 COUNCIL DETAILS

Council Incorporation

The Council was established under the municipality act (Cap 125).

Principal Place of Business

The principal place of business of the Council is at Mayoral Drive Valelevu, Nasinu, and Suva.